



GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT:

Kakinada Port – Utilisation of Port lands – Enhancement of lease rentals on Port land on long lease basis – Orders – Issued.

INFRASTRUCTURE & INVESTMENT (PORTS.) DEPARTMENT

GO Ms No. 2

Dated: 09 -01-2009

READ the Following

- 1) GO Ms No.19, TR&B (Ports) Department, dated 31-1-1994
- 2) G.O.Ms.No.312, TR&B(Ports) Department, dated 26-11-1994.
- 3) From the Director of Ports, Kakinada Letter No.D1/1881/107, dated 30.11.2007.
- 4) From the Director of Ports, Kakinada Letter No.PC/L/499/2007, dated 8.7.2008.

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ORDER:

The Director of Ports, Kakinada has reported that allotment of Kakinada port lands is being made at a lease rent of Rs.15.25 per sq yard per annum charging at the rate of 6% of registered value of the land as per the orders issued in G.Os 1<sup>st</sup> and 2<sup>nd</sup> read above which has been arrived at as detailed below:-

Lease charges as per G.O.Ms.No.19, Transport Roads & Buildings (Ports) Department dt.31-1-1994 and the increase was 15% every three years.

- a. From 31-1-1994 to 30-1-1997 @ Rs.8.70 Per Sq.Yd. per annum.
- b. From 31-1-1997 to 30-1-2000 @ Rs.10.00 per Sq Yd. per annum
- c. From 31-1-2000 to 30-1-2003 @ Rs.11.50 per Sq.Yd. per annum
- d. From 31-1-2003 to 30-1-2006 @ Rs.13.25 Per Sq.Yd.per annum
- e. From 31-1-2006 to 30-1-2009 @ Rs.15.25 Per Sq.Yd.per annum

The present value of land at Kakinada Port as per Registration Department is Rs.1,520 and 6% of it works out to Rs.91.20 per Sq.yard.

2. The Director of Ports, Kakinada in his letter 4<sup>th</sup> read above has reported that the lands at Kakinada Port are low-lying, marshy and saline in nature and not useful for any agricultural or commercial activities and are facing sea front which is open to fury of sea and nature thus not suitable for locating any inhabitants in residential colony. These lands require huge amounts of investments to level the ground and make the same useful for storing cargoes by construction of open stockyards, closed godown etc. The investment to be made by Lessees for leveling the land etc., is estimated to cost about Rs.5.00 Lakhs to Rs.10.00 lakhs per acre depending upon the location of land, severely affecting the viability of their operations.

3. Under the circumstances reported by the Director of Ports and keeping in view the escalation in the land value during the last 13 years presumed to be about 24% every year, in tune with market prices, following options have been considered for examination:

Option-I:

Present registration value of Kakinada Port land as ascertained from Registration Department is Rs.1520 per Sq yard and 6% of registration value works out to Rs.1520 x 6 % = Rs.91.20 per Sq yard or Rs.4,41,408 per Acre (1 Acr = 4840 Sq yard) to be charged as lease rentals on long lease of 30 years.

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Option-II:

In the light of the decision of the Council of Ministers dated 16-11-1994, orders have been issued in GO Ms No.312, TR&B (Ports) Department, dated 26.11.1994 to adopt a reduced rate of actual registration value of land by 40.30%, thereby the value of Kakinada Port Lands for lease purposes was ordered to be Rs.145 per Sq. yard . Therefore, the present value of Kakinada port lands comes to Rs.612.22 per sq yard as against the present actual Registered Value of Rs.1520/- per sq yard and 6% of the value works out to Rs.612.22 x 6% = Rs.37.73 per sq yard (Rs.1,82,613/- per acre) per annum.

4. Government after careful examination of the matter, hereby order for enhancement of the lease rentals on Kakinada Port lands from Rs.15.25 per sq yard per annum to Rs.37.73 per sq yard per annum ie, Rs.1,82,613/- per acre per annum, for leasing out for long term, ie, 30 years with a provision for an increase of 15% every three years.

5. The enhanced lease rentals are also applicable to the persons/ companies who are already allotted lands.

6. The Director of Ports, Kakinada shall take further action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

MANMOHAN SINGH  
SECRETARY TO GOVERNMENT

To

The Director of Ports, Kakinada.

The Principal Accountant General (Audit –I), A.P. ,Hyderabad.

Copy to:

The Port Officer, Kakinada through Director of Ports, Kakinada.

The Finance (Exp.PW) Department

The G.A.(Cabinet) Department

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//Forwarded :: By Order//

SECTION OFFICER